

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1855

ANSWERED ON:24.08.2007

LOAN TO WEAKER SECTION

Chavda Shri Harisinh Pratapsinh; Prasad Shri Hari Kewal

Will the Minister of FINANCE be pleased to state:

- (a) whether the Reserve Bank of India has issued instructions to the scheduled Commercial Banks to extend 10% of their total loan to weaker sections of the country;
- (b) if so, the names of the banks which have followed the said instructions; and
- (c) if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a): Yes, Sir. The Reserve Bank of India (RBI) has issued revised guidelines on lending to the Priority Sector on 30.04.2007 to all the Domestic Scheduled Commercial Banks. The revised guidelines stipulate a sub-target of 10% of Adjusted Net bank Credit (ANBC) or credit equivalent amount of off-Balance Sheet Exposure, whichever is higher, for lending to the Weaker Sections by the Domestic Scheduled Commercial Banks.

(b) & (c): All the Domestic Scheduled Commercial Banks are required to follow the revised guidelines. However, there is short fall in achieving the per-centage target meant for Weaker Section on account of increasing credit flow to other competing sectors of the economy.